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SUBJECT: Argentina: San Juan Welcomes Ambassador

Summary

1. During Ambassador's June 12 - 13 visit to San Juan, provincial authorities emphasized their desire to work with U.S. interests to explore mutually beneficial relationships. Ambassador had extensive meetings with San Juan Governor Jose Luis Gioja, San Juan Vice-Governor Dr. Jose Ruben Uşac, and San Juan Deputy Ruperto Godoy, the Chairman of the Foreign Affairs Committee in the National Chamber of Deputies. These meetings highlighted possibilities for working together in the energy, agriculture, tourism, and mining sectors and opportunities for cultural exchanges. Ambassador focused on shared cultural values between the U.S. and Argentina in visits to a kindergarten and a museum that honors San Juan native-son, former Argentine President, Domingo F. Sarmiento. Ambassador emphasized current ties between San Juan and the U.S. as well as the corporate social responsibility programs of U.S. companies in San Juan in visits to Clorox Corporation and Wal-Mart. The Ambassador was a featured guest at gala concert celebrating the 446th anniversary of the founding of the city of San Juan and toured the UNESCO World Heritage Site, Ischigualasto National Park, the site of the world's oldest dinosaur fossils. The visit received extensive and very positive media coverage. End Summary.

San Juan Seeks to Work Together: Energy, Agriculture, Tourism,
Mining, Democracy

2. San Juan Governor Jose Luis Gioja welcomed the Ambassador to San Juan by noting San Juan's long history of good relations with the U.S., as evidenced by the works of former President Sarmiento. He acknowledged that Sarmiento's emphasis on public education, democracy, free trade and freedom of speech in Argentina arose in part out of his experiences in the U.S. Governor Gioja said he seeks to build on this history and respond to the forces of globalization by increasing cooperation with USG agencies and U.S. private sector. The Ambassador congratulated Gioja on being reelected in August 2007 by a substantial margin and on the results of a recent poll that showed him as the most popular governor in the entire country. Ambassador explained that he looked forward to paying tribute to President Sarmiento during his visit and was eager to hear the ideas of the people of San Juan for working together with U.S. interests.

3. Gioja explained that rivers in San Juan province provide great opportunities for energy production. The first major hydroelectric project in San Juan, the Caracoles Dam, is scheduled to open next year and will be operated by American firm, AES. A second major hydroelectric project, Punta Negra, is also being developed. The Governor mentioned that the province would appreciate any assistance the Ambassador could provide in securing USG support for the

financing of the project by the Inter-American Development Bank.

¶4. Gioja emphasized the importance of the wine industry in San Juan while also explaining that agricultural producers have diversified production, and that frozen grape juice is a particularly important product in the province. Ambassador noted that the U.S. is San Juan's number one export market for frozen grape juice and Gioja readily agreed. Gioja further commented, however, that he believes U.S. tariffs on frozen grape juice are "a problem" and asked for the Ambassador's assistance in reducing the U.S. tariff on frozen grape juice. Ambassador acknowledged Gioja's concern, but also explained that tariffs present a difficult and sensitive topic and that reduction of tariffs would be tied to larger multilateral and international trade negotiations.

¶5. Gioja emphasized the potential for tourism in San Juan and encouraged Americans to visit the province for tourism and cultural exchange. He noted that San Juan intends to send an exhibit to the U.S. in 2010 promoting the Valle de la Luna/ Ischigualasto World Heritage site. He responded positively to the Ambassador's statement that the Embassy is committed to promoting cultural exchange programs and that Americans are visiting Argentina in record numbers. Gioja appeared surprised and pleased to hear the Ambassador describe the advances the Embassy consular section has made in simplifying the U.S. visa process for the Argentine public.

¶6. Gioja explained the "political decision" he made several years ago to promote the mining industry in the province. The mining industry has experienced strong growth over the last several years and Gioja said he thinks there are opportunities for close cooperation between U.S. interests and San Juan in the mining area. He did not address concerns expressed by some environmentalists that mining activities are adversely affecting the environment in San Juan and instead referred to the decision to promote the extraction of resources from the land as being in the tradition of Sarmiento.

¶7. Gioja noted San Juan's strong democratic institutions and traditions and the commitment of his government to working together with the military and all parts of Argentine society to strengthen further democracy in San Juan. In referring to the present dispute between the Argentine federal government and the agriculture sector, he acknowledged Argentina is experiencing some problems right now, but said these problems are nothing compared to the problems the country faced in 2000 - 2001. He described the current situation as normal for Latin America and compared the situation to a Boca - River soccer match. Separately the Vice Governors acknowledged to the Ambassador that the strike was causing significant disruption of trucking, both for supplies coming into the province--e.g. fuel--and for exports of its products.

Provincial Legislature - Interest in Exchanges

¶8. San Juan Vice-Governor Ruben Unac hosted the Ambassador in a brief visit to the Provincial Legislature. Unac also recognized the forces of globalization and emphasized that the people and the provincial government of San Juan are eager to explore opportunities for working together with U.S. interests. The provincial legislators in particular emphasized an interest in cultural exchanges between local legislators and their U.S. counterparts. The provincial legislators expressed a strong desire to visit the U.S. and learn more about how state and local legislators in the U.S. confront local issues. The Ambassador expressed enthusiasm for this idea and referred to the legislature of his home state of California as an interesting example of how disparate interests in a state legislature can work together with a strong governor to effect legislative changes that can influence the entire country.

Paying Tribute to Sarmiento - Past and Present

¶9. The Ambassador visited San Juan, in part, to pay tribute to the legacy of Domingo F. Sarmiento, a former Governor of San Juan Province, former Argentine Ambassador to the United States, and the seventh President of Argentina. Sarmiento is considered the father

of the Argentine public education system and one of his initial efforts to promote public education in Argentina was a program to bring teachers from the U.S. to Argentina. The Ambassador visited a public kindergarten named in honor of Sarah Chamberlain Eccleston, one of the first U.S. teachers to come to Argentina under Sarmiento's program. He met with the head mistress of the school, listened to a teacher explain the story of Sarah's work in Argentina, enjoyed a dance program by the students and then talked with 200 well-behaved kindergarten students. The visit to the kindergarten received extraordinarily positive press coverage in the local newspapers.

¶10. The Ambassador also visited the Sarmiento family home where the former President was born. The home is now a museum dedicated to telling the story of Sarmiento's life. The Ambassador received a tour of the museum from the director accompanied by several local politicians and members of the media. The tour emphasized Sarmiento's positive influence on Argentine history and highlighted his strong ties to the U.S. As part of the museum visit, the Ambassador had an opportunity to speak to the media about the shared cultural values between the U.S. and Argentina that are reflected in Sarmiento's words and deeds. The museum visit also received extensive positive coverage in the local media.

Company Visits - Jobs and Corporate Social Responsibility Programs

¶11. The Ambassador visited two American companies operating successfully in San Juan, accompanied by Vice Governor Uşac, Deputy Godoy, and Minister of Production Raul Benitez. The first visit was to Clorox Corporation. Oakland, California-based Clorox, has been operating in Argentina since 1985. At its San Juan facility, Clorox produces home cleaning and disinfecting products, insecticides, air fresheners, laundry additives, cleaning utensils and automotive care products. Clorox executives provided an insightful tour into the well-managed facility and explained how recent new investments in San Juan had led to increased production capacity and approximately 20 new jobs at Clorox. Clorox produces all of its aerosol products for the world in San Juan.

¶12. The second company visit was to a Wal-Mart Super-Store. In 2006, Wal-Mart invested \$10 million to build a hypermarket and a mall featuring 50 retail stores in San Juan. The company initially hired 250 "Sanjuaninos" and in April 2007, opened its San Juan location - its fourteenth store in Argentina. Prior to opening the store, Wal-Mart worked with the provincial government to identify local producers that could be included in Wal-Mart's Global Supplier Program. The Ambassador visited Wal-Mart and heard testimonials from several companies based in San Juan describing how inclusion in Wal-Mart's Global Supplier Program increased their sales, allowed them to begin exporting and improved their operational and quality standards. At the conclusion of the meeting, Minister of Production Benitez told the Ambassador he hoped to replicate Wal-Mart's model with other companies in the province.

¶13. Both Clorox and Wal-Mart have active corporate social responsibility programs functioning in San Juan. To highlight and learn more about these programs, the Ambassador visited "comedores" sponsored by both companies. A comedor is a community dining hall where local children can come after school to enjoy milk, a snack and a safe environment. Clorox sponsors a comedor that has a reading room and serves 120 local children; a crowd of nearly 200 people greeted the Ambassador there with cakes and hot chocolate. Wal-Mart provides food, milk and volunteers to a comedor that serves 120 children from 75 families and ten pregnant women living in the area. Approximately 150 people greeted the Ambassador at the Wal-Mart-sponsored comedor where the Ambassador served hot chocolate to the children and enjoyed a cake they had made for his visit.

San Juan Anniversary

¶14. The Ambassador attended a gala concert featuring local folk music in honor of the 446th anniversary of the founding of the city of San Juan. The Ambassador was accompanied by Governor Gioja and members of his cabinet and was named a distinguished guest of honor

by the Mayor of the city. The following morning the Ambassador accepted the invitation of Vice-Governor U\$ac to take a helicopter tour of the Ischigualasto National Park in the "Valley of the Moon" in the north of the province. The park is a UNESCO World Heritage site, the location of the world's oldest dinosaur fossils, and the central component of San Juan's plans for promoting tourism to the province.

Wide and Favorable Media Coverage

¶15. San Juan is a small province not accustomed to the visit of someone like the Ambassador of the United States. The Ambassador was accompanied throughout the day by local politicians and dignitaries as well as every major media outlet in the region. The Ambassador's visit was the lead story in the local papers for several days and the day after the visit the first five pages of the major local newspaper were dedicated exclusively to documenting every aspect of the Ambassador's trip.

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